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* THE HON. SRI M. BHAKTAVATSALAM :—" Sir, I agree to the suggestion of the hon. the Leader of the Opposition. The Plantations Agricultural Income-tax Bill may be taken up after the general discussion on the budget is over, that is, on the 5th March. On the 4th March we complete the discussion on the budget. We shall sit on the 5th March for considering this Plantations Agricultural Income-tax Bill."

III.—MESSAGE FROM THE ASSEMBLY.

MR. CHAIRMAN :—" I have to announce to the House that I have received the following message, dated the 25th February 1955, from the Hon. the Speaker, Madras Legislative Assembly :—

' In accordance with rule 114 of the Madras Assembly Rules, I transmit a copy of the Madras General Sales Tax (Amendment) Bill, 1955 (L.A. Bill No. 4 of 1955), as passed by the Assembly on the 25th February 1955 and signed by me for the concurrence of the Council.' "

IV.—BUDGET FOR THE YEAR 1955-56.

SRI A. GAJAPATHY NAYAGAR :—" மன்றத் தலைவர் அவர்களே, ஒரே ஒரு விண்ணப்பம். இந்த ஆண்டு வரவு செலவு திட்டத்தை தமிழில் படிக்கும்படி சபைத் தலைவரை வேண்டிக் கொள்கிறேன். கனம் நிதி மந்திரி அவர்கள் கீழ் சபையில் பட்ஜெட் பிரசங்கத்தை ஆங்கிலத்தில் படித்தார்கள். பட்ஜெட் பிரசங்கம் தமிழில் அச்சடிக்கப்பட்டிருந்தும், அதைத் தமிழில் படிக்கவில்லையென்றால், அது ஒரு குறையாகவும், குற்றமாகவுமிருக்கும். ஆகவே, இந்த சபையில் பிரசங்கத்தைத் தமிழில் படிக்கும்படி நான் கேட்டுக்கொள்கிறேன்."

* THE HON. SRI M. BHAKTAVATSALAM :—" கனம் தலைவர் அவர்களே, கனம் அங்கத்தினர் ஸ்ரீ கஜபதி நாயகர் அவர்கள் விடாமல் எப்பொழுதும் தமிழிலேயே பேசுவதாயிருந்தால் நானும் அவருடைய கோரிக்கைக்கு சம்மதித்திருப்பேன். அவரே இதற்கு ஒரு வழி காட்டவில்லை. அவருக்கு தோன்றிய சமயங்களிலெல்லாம் ஆங்கிலத்தில் சிறந்த நடையில் பேசுகிறார். அதற்குக் கண்டனமாக அவருடைய கோரிக்கையை நான் ஒத்துக்கொள்ளவில்லை. பட்ஜெட் பிரசங்கம் தமிழில் மொழிபெயர்க்கப்பட்டு, எல்லா அங்கத்தினர்களுக்கும் வினியோகிக்கப் பட்டிருக்கிறது. அதை அவர் படித்துக்கொள்ளலாம். கனம் நிதி மந்திரி அவர்கள் கீழ் சபையிலே நிகழ்த்திய பிரசங்கத்தை இங்கே திருப்பிச் சொல்வது சரியல்ல. ஆகவே, சுருக்கமாகச் சில வார்த்தைகளைச் சொல்லி, இந்த ஆண்டு பட்ஜெட்டை சபை முன்பு சமர்ப்பிக்கலாமென்று நினைக்கிறேன்."

* SRI A. SUBRAMANYAM :—" கனம் தலைவர் அவர்களே, ஒரு அங்கத்தினர் தவறு செய்திருந்தால், அதற்காக எல்லா அங்கத்தினர்களும் தவறு செய்திருக்கிறார்கள் என்று கனம் மந்திரி அவர்கள் கருதக்கூடாது. ஒரு அங்கத்தினர் ஒரு காரியத்தில் ஈடுபட்டு, அதைத் தொடர்ந்து நடத்தாமல் விட்டுவிட்டால், மற்ற அங்கத்தினர்களும் அம்மாதிரியே செய்வார்கள் என்று கனம் மந்திரி அவர்கள் நினைக்கக்கூடாது என்று கேட்டுக்கொண்டு, தமிழில் பட்ஜெட் பிரசங்கம் அச்சடிக்கப்பட்டிருப்பதால், தமிழிலேயே அதை வாசிக்கும்படி சபைத் தலைவரைக் கேட்டுக்கொள்கிறேன்."

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* THE HON. SRI M. BHAKTAVATSALAM :—" என் எதிரே உள்ள கனம் அங்கத்தினர்தான் தமிழில் பேசவேண்டுமென்று அடிக்கடி சொல்லுவதால் அவ்வாறு சொன்னேன். எந்த அங்கத்தினரும் தவறு செய்ததாக நான் சொல்லவில்லை ; மற்றவர்கள் அதற்காக தண்டிக்கப்படவேண்டுமென்றும் நான் சொல்லவில்லை. கனம் நிதி மந்திரி அவர்கள் நிகழ்த்திய பிரசங்கம் தமிழில் அச்சடிக்கப்பட்டு, எல்லா அங்கத்தினர்களுக்கும் வழங்கப்பட்டிருக்கிறது. ஆகவே, அதையே திருப்பிப் படிக்காமல், ஒரு சில வார்த்தைகள் மட்டும் இப்பொழுது சொல்லுகிறேன்.

3-20 p.m. " Mr. Chairman, Sir, in presenting the Budget for 1955–56 to this House, I shall not cover the whole ground, but only make a few general observations. Printed copies of the Budget Speech [a] of the Finance Minister are now with all hon. Members and that document contains all the relevant facts and figures.

" The estimated revenue for the budget year, is Rs. 47,92 lakhs, after taking credit for Rs. 165 lakhs from new taxes and is short of the anticipated expenditure of Rs. 49,58 lakhs by Rs. 166 lakhs. The deficit is large and should normally have caused us some concern, especially after an anticipated deficit of Rs. 249 lakhs for the current year. But, as matters stand at present, practically all State Governments are sure to run into substantial deficits, as could be seen from the budget figures of Bengal, Bihar, and Uttar Pradesh recently published. Under our Constitution it is the responsibility of the State Government to provide the people with their basic needs, such as elementary education, medical assistance, drinking water-supply, agricultural facilities, rural communications, etc. The needs of the people on these services are indeed many, and the publicity we have been giving to the National Plan in the country has made the people conscious of their disabilities and rights. The taxable resources of the State Government are practically the same as before the Constitution and many of them have been stretched out to the point of diminishing returns. There can therefore, be no escape from growing deficits in the budgets of future years. We can only try to keep them under control to preserve the credit of the State and in this we have had a fair measure of success.

" A few comparative budget figures for post-war years will indicate the rate of expansion on some of the welfare services. In 1945–46 we spent Rs. 460 lakhs on Education for the Composite Madras State. The provision for Education in the present budget is Rs. 10,20 lakhs or about 2½ times the outlay for the Composite State 10 years ago. The corresponding figures for these two years on some other welfare departments are : Harijan Uplift Rs. 29 lakhs and Rs. 110 lakhs, Rural Water Supply Rs. 19 lakhs and Rs. 70 lakhs, Agriculture Rs. 74 lakhs and Rs. 167 lakhs, and new road works Rs. 41 lakhs and Rs. 172 lakhs. The expansion is three or four-fold in all the welfare departments and new ones have also been organised. The Community Development Projects and National Extension Services, were not in existence in 1945–46, but the budget has provided Rs. 256 lakhs on these new services. The

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[a] Printed as Appendix III on pages 228–293 infra.

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Union Government is assisting us on some of these new developments, for which we are indeed grateful, but the State Government must make matching provisions to become eligible for Central grants.

"It is true Sir that all this outlay has not gone far towards meeting the elementary needs of the people and ensuring them fair living conditions. Many more years of sustained effort will be called for, before we can claim to have laid the foundations of a Welfare State. But, that need not prevent us from reviewing the results already achieved, at least to reassure us that we are on the right track and to encourage us on our arduous onward journey. Taking Education, we may note, that with the outlays proposed in the current year and the budget year, we shall be having at least one school in every village with a population of 500 and above. No doubt, the schools are ill-equipped and understaffed and the education imparted requires radical reform, but the fact that practically every child in the State has now a school to go to, within two or three miles of his residence, is a distinct achievement. The budget further provides for making that education free for all poor children, without distinction of caste and creed, upto the middle school stage and thereby we have reached another stage in our long march towards free and compulsory education, as directed in the Constitution. Turning to Agriculture, Sir, we can see our efforts towards more intensive methods of cultivation gradually yielding results. The practice demonstrated by the Agriculture Department, of raising green manures on field bunds and on the fields during the off-season, has become popular and the whole of Tanjore Delta has been well-covered with Sesbania. The off-take of chemical manures has increased several-fold in recent years and the ryots are successfully adapting the Japanese method of cultivation to suit local conditions. Hon. Members might have seen for themselves in the districts or noted from accounts appearing in the Press, that the department was able to meet the heavy demands made on it during the last agricultural season, for assistance to fight the wave of insect pests which swept over many districts. Favourable seasonal conditions have indeed played a large part in enabling us to attain a measure of self-sufficiency in food, but while being thankful to Providence for this, we should not under-rate the significance of our own efforts in that direction. The newly constructed irrigation reservoirs, the renovated tanks in their hundreds, the irrigation wells sunk recently with State subsidy in their thousands, and the electric pump-sets which are now being installed on wells within the reach of our rapidly expanding power-grid, are all there to help us in making better use of nature's bounty. The National Extension Services and the Community Development Projects are now in operation over a fourth of the State and are gradually bringing about a new awakening amongst the rural masses, as could be seen from the fact that contributions in cash and kind from the people of the benefited areas, amount to about Rs. 25 lakhs in the current year. It is our intention Sir, to extend these services over the whole State within the next three or four years and 36 new blocks of 100 villages each, will be taken up during the budget year.

We are also making appreciable progress on rural water-supply and may hope to cover practically every village in the State with at least one dependable source of supply early in the next Plan period.

"All these ameliorative measures must necessarily cost a good deal of money. Despite all our recent efforts, there are still large tracts of the country which have not yet derived any appreciable benefits from the Plan. People in these areas see what is being done for their more fortunate neighbours and demand satisfaction of some at least of their pressing needs. The schools, the dispensaries, the drinking water wells and the village communications they require, are petty works which do not earn a direct return on the outlay. We cannot meet the cost of these services with borrowed funds, because they do not leave behind material assets of a lasting nature. Under these circumstances, there can be no escape from further measures of taxation. In the pattern of rural reconstruction we visualise for the future, there must be very considerable decentralisation of the functions now exercised by the State Government. The needs of the villagers in the matter of education, health, agriculture or co-operative organizations, cannot be directed and supervised with an adequate sense of urgency, by a centralised executive body functioning from the headquarters of the State Government. The initiative for these welfare services must pass on to local bodies functioning in the districts, taluks or villages. But Sir, our local bodies are at present the weakest link of our administrative set-up and this is almost entirely due to the inelasticity of their financial resources. A complete reorganization of the existing local bodies seems to be called for, but as this may take time, we must strengthen the existing bodies by giving them adequate financial assistance. That is why we have proposed a new levy of two annas in the rupee on Land Revenue, to be placed in full at the disposal of local bodies. It is indeed true that agriculturists have their own difficulties, especially at a time of falling prices, but the new revenue will be utilised exclusively for the benefit of the rural areas. Local bodies will continue to receive all the grants which they have been receiving hitherto and the State Government will gain no relief out of the proceeds of the new tax. I hope hon. Members will appreciate the realities of the present situation and give the correct lead to the lower House by extending their support to this proposal without which, we cannot hope to restore some measure of initiative to our local bodies. The only other new tax proposed in the budget is ordinary sales tax on tobacco and its derivatives. It is only an accident that tobacco has escaped sales tax in recent years. We gave up this tax in 1944 in lieu of compensation from the Centre, which is levying heavy excise duties on this commodity. That compensation has since been withdrawn and so, we may proceed to levy ordinary sales tax, as on any other consumer goods. No doubt tobacco is the poor man's luxury, but it is certainly not as essential to him as his food or cloth, on both of which he pays sales tax. The incidence of sales tax may not be much compared with the excise duty already levied by the Centre. Most of the retail tobacco dealers, catering to the needs of the working classes,

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may escape this tax, because their turnover will be less than the prescribed minimum under the Act. The budget provides for relief from sales tax on a further batch of perishable articles and also for certain Co-operative Societies dealing in small cottage industries and handicrafts, the particulars of which are given in the budget speech.

" The capital side of the budget presents a more hopeful picture. Our Irrigation and Electricity programmes are making rapid progress and with the provision of about Rs. 19 crores for these works in the budget, we will be materially exceeding the targets originally set in the Plan. Hon. Members may recollect that soon after Indepence, we drew up a fairly exhaustive list of major and medium-sized irigation projects for the fuller utilisation of our water resources. We were at that time starting practically from scratch, without the necessary equipment, organization and trained personnel and therefore, the target which we then set, did look ambitious. We may note with satisfaction that most of the works covered by that list are now under various stages of execution and will be completed in the next two or three years. The Kattalai and Pullambadi schemes of Tiruchirappalli and one or two others on the West Coast, are the few in that programme, which have yet to be taken up and we may hope to launch them early in the next Plan period. Our enthusiasm is now being damped by the thought that we do not have further dependable sources of water for major schemes. A good deal more can, however, be done on small works and on the renovation of the existing tanks and other irrigation systems and it is towards that direction that we are turning our energies. There is a provision of Rs. 125 lakhs in the budget for these small works and it may be possible to supplement it, if found necessary during the course of the year. Side by side, we are also exploring the possibility of tapping sub-soil water through a programme of filter point tube wells, wherever conditions are favourable. This form of development is possible along the sides of our main river courses, provided the water table is not very low and the soil is sandy. The Agricultural Department is working out a programme costing about Rs. 50 lakhs in the budget year and let us hope that ryots will take advantage of this scheme in increasing numbers. Our rural electrification programme has made rapid strides. With the outlay of about Rs. 760 lakhs proposed in the budget for this purpose, we may hope to cover about 600 villages in the year. We are not very far from our new target of 1,000 villages per year and we may hope to cover a fair portion of the State with our power-grid in the next Plan period. Meanwhile, work has commenced on the Periyar Project and we may start the Kundah Project to harness the waters of the upper reaches of the Bhavani river. The lignite deposits of Neiveli seem to give us fair hopes of a large thermal plant in the second Plan period to provide the much needed support to our hydro-electric grid in adverse seasons.

" The large outlay on capital works in recent years has increased the public debt of the State which may amount roughly to about Rs. 75 crores by the end of this year. The provision in the

budget for debt charges, i.e., the amount to be set apart from revenues for the servicing of the public debt, amounts to about Rs. 268 lakhs. Considering that debt charges for the Composite State in 1945–46 were only Rs. 121 lakhs, we are not surprised at the growing deficits in our present day budget. But, we should not be alarmed by this trend in our budget. We have put all the money we have borrowed to good use for improving the living conditions of the people. As against the public debt of about Rs. 75 crores, we have built up assets worth about Rs. 100 crores. The investment on electricity schemes, amounting to about Rs. 45 crores, do give us a fair return on the capital and with the betterment levy now under legislation, we may hope to make the irrigation projects costing about Rs. 35 crores, also pay their way to a large extent. Even with the heavy commitments on debt charges, we are still able to keep the revenue deficits well under control. The discerning observer may not fail to note that we are still meeting a good deal of the expenditure on roads, buildings and water-supply schemes from the revenue side of the budget, even though the outlay does leave behind substantial capital assets for the use of coming generations. No doubt we have budgetary difficulties, as the growing needs of the people on the country-side compel us to raise fresh taxes from people who are not very affluent, but nobody, Sir, need cast doubts on our inherent financial stability, because we have made our investments wisely.

" With these observations, Sir, I present the Budget Estimates of 1955–56 for the consideration of this House."

3-30 p.m. SRI MOHAMED RAZA KHAN :—" Sir, I request that hon. Members of the House may be supplied with copies of the speech just now delivered by the Hon. the Leader of the House."

MR. CHAIRMAN :—" I now adjourn the House to meet again at 3 p.m. on Monday, the 28th February 1955."

The House then adjourned.

TRUTH ALONE TRIUMPHS